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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

(Mark One)
[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 1992

OR

[ ] TRANSACTION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transaction period from _____ to _____

Commission file number 0-15956

Bank of Granite Corporation
(Exact name of registrant as specified in its charter)

Delaware	56-1550545
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
Post Office Box 128, Granite Falls, N. C.	28630
(Address of principal executive offices)	(Zip Code)

(704) 396-3141
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report.)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No ___

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common stock, $1 par value - 3,768,475 shares outstanding as of May 14, 1992.

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BANK OF GRANTIE CORPORATION AND SUBSIDIARY

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Bank of Granite Corporation and Subsidiary
Consolidated Balance Sheets (Unaudited)

	March 31, 1992	December 31, 1991
ASSETS:		
Cash and cash equivalents:		
Cash and due from banks	$ 27,786,971	$ 16,044,690
Federal funds sold	-	1,200,000
Total cash and cash equivalents	27,786,971	17,244,690
Investment securities		
U.S. Treasury	29,533,297	35,055,349
U.S. Government agencies	19,477,929	13,580,498
States and political subdivisions	35,685,474	36,794,859
Other	4,841,047	4,224,894
Total investment securities	89,537,747	89,575,600
Loans	222,232,023	220,358,050
Allowance for possible loan losses	(3,215,079)	(2,990,804)
Net loans	219,016,944	217,367,246
Premises and equipment, net	6,391,732	6,391,577
Accrued interest receivable	3,361,543	3,466,677
Other	1,368,474	1,853,456
TOTAL	$347,463,411	$335,099,246
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Deposits:		
Demand	$ 51,387,294	$ 48,985,050
NOW accounts	32,172,985	32,847,879
Money market accounts	30,897,141	27,709,434
Savings	14,284,652	12,782,799
Time deposits of $100,000 or more	65,462,881	64,196,581
Other time deposits	98,687,183	101,963,371
Total deposits	292,892,056	287,685,914
Federal funds purchased and securities sold under agreement to repurchase	3,252,039	2,327,075
Other borrowed funds	65,346	95,521
Accrued interest payable	1,352,328	1,688,239
Other liabilities	5,853,856	891,938
Total liabilities	303,415,625	292,528,687
SHAREHOLDERS' EQUITY:		
Common stock, $1.00 par value, authorized-10,000,000 shares; issued and outstanding-1992 - 3,768,825; 1991 - 3,766,000	3,768,825	3,766,000
Capital surplus	20,164,404	20,128,253
Retained earnings	20,115,357	18,676,306
Total shareholders' equity	44,047,786	42,570,559
TOTAL	$347,463,411	$335,099,246

See notes to consolidated financial statements.

Bank of Granite Corporation and Subsidiary
Consolidated Statements of Income (Unaudited)

For the Three Months Ended March 31,	1992	1991
INTEREST INCOME:		
Interest and fees on loans	$4,981,617	$5,813,131
Federal funds sold	18,617	43,839
Investments:		
U.S. Treasury	631,788	575,520
U.S. Government agencies	227,543	122,923
States and political subdivisions	582,695	673,028
Other	92,739	122,580
Total interest income	6,534,999	7,351,021
INTEREST EXPENSE:		
Time deposits of $100,000 or more	856,877	1,447,174
Other time and savings deposits	2,042,566	2,525,776
Federal funds purchased and securities sold under agreements to repurchase	37,768	34,351
Other borrowed funds	2,570	5,012
Total interest expense	2,939,781	4,012,313
NET INTEREST INCOME	3,595,218	3,338,708
PROVISION FOR POSSIBLE LOAN LOSSES	255,000	206,785
NET INTEREST INCOME AFTER PROVISION FOR POSSIBLE LOAN LOSSES	3,340,218	3,131,923
OTHER INCOME:		
Service charges on deposit accounts	670,924	547,011
Other service fees and commissions	243,781	179,658
Other	144,654	49,545
Securities gains (losses)	-	12,426
Total other income	1,059,359	788,640
OTHER EXPENSES:		
Salaries and wages	888,019	781,679
Profit sharing and employee benefits	188,842	174,693
Occupancy expense, net	96,745	78,344
Equipment rentals, depreciation and maintenance	143,303	142,843
Other	597,247	478,572
Total other expenses	1,826,156	1,648,131
INCOME BEFORE INCOME TAXES	2,573,421	2,272,432
INCOME TAXES	720,000	591,050
NET INCOME	$1,853,421	$1,681,382
PER SHARE AMOUNTS:		
Net income	$ .49	$ .45
Cash dividends	$ .11	$ .11
Book value per share	$ 11.69	$ 10.25

See notes to consolidated financial statements.

BANK OF GRANITE CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31	1992	1991
Increase (decrease) in cash and cash equivalents		
Cash flows from operating activities:		
Interest received	$ 6,672,719	$ 7,581,238
Fees and commissions received	1,059,359	776,214
Interest paid	(3,195,692)	(4,164,851)
Cash paid to suppliers and employees	(2,258,391)	(1,212,894)
Income taxes paid	(306,267)	(298,970)
Net cash provided by operating activities	1,971,728	2,680,737
Cash flows from investing activities:		
Proceeds from matured investment securities	8,903,726	4,515,000
Proceeds from sales of investment securities	-	10,377,485
Purchases of investment securities	(4,112,177)	(15,690,004)
Net (increase) decrease in loans	(1,904,698)	3,908,584
Capital expenditures	(121,035)	(255,034)
Net cash (used in) provided by investing activities	2,765,816	2,856,031
Cash flows from financing activities:		
Net increase (decrease) in demand deposits, NOW accounts and savings accounts	7,296,110	(724,101)
Net increase (decrease) in certificates of deposit	(2,009,968)	110,031
Net increase (decrease) in securities sold under agreement to repurchase	924,964	(2,144,215)
Net increase (decrease) in other borrowed funds	(30,175)	77,860
Net proceeds from issuance of common stock	30,176	24,615
Dividends paid	(414,370)	(413,347)
Net cash (used in) provided by financing activities	5,804,737	(3,069,157)
Net increase in cash and cash equivalents	10,542,281	2,467,611
Cash and cash equivalents at beginning of period	17,244,690	15,873,672
Cash and cash equivalents at end of period	$27,786,971	$18,341,283
Reconciliation of net income to net cash provided by operating activities:		
Net Income	$ 1,853,421	$ 1,681,382
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	120,888	120,232
Provision for loan losses	255,000	206,785
Premium amortization (discount accretion), net	32,586	34,820
Gain on sale of investment securities	-	(12,426)
Increase (decrease) in taxes payable	413,733	292,000
(Increase) decrease in accrued interest receivable	105,134	195,397
Decrease in accrued interest payable	(255,911)	(152,538)
Increase in other assets	(315,010)	(320,526)
Increase (decrease) in other liabilities	(238,097)	635,531
Total adjustments	118,307	999,355
Net cash provided by operating activities	$ 1,971,728	$ 2,680,737

See notes to consolidated financial statements.

BANK OF GRANITE CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. In the opinion of management, the accompanying consolidated financial statements contain all adjustments necessary to present fairly the financial position of Bank of Granite Corporation and subsidiary as of March 31, 1992 and December 31, 1991, and the results of their operations for the three month period ended March 31, 1992 and 1991, and their cash flows for the three month periods ended March 31, 1992 and 1991.

   The accounting policies followed are set forth in Note 1 to the Corporation's 1991 Annual Report to Shareholders on file with the Securities and Exchange Commission.

   The results of operations for the three month period ended March 31, 1992 are not necessarily indicative of the results expected for the full year.

2. Earnings per share of common stock have been determined based on the weighted average number of common and dilutive common share equivalents outstanding of 3,785,119 and 3,764,171, for the three month periods ended March 31, 1992 and 1991, respectively.

3. During the quarter ended March 31, 1992 the Company incurred liabilities in the amount of $4,112,177 for investment securities purchased but not yet settled.

4. The Common Stock account and Capital Surplus account for December 31, 1991 have been restated to reflect a changed in common stock par value from $5 per share to $1 per share.

5. In the normal course of business there are various commitments and contingent liabilities such as commitments to extend credit, which are not reflected on the financial statements. The unused portion of loan commitments at March 31, 1992 and December 31, 1991 was $38,725,000 and $39,291,000 respectively. Additionally, standby letters of credit of approximately $2,373,000 and $1,763,000 were outstanding at March 31, 1992 and December 31, 1991, respectively. Management does not anticipate any significant losses to result from these transactions.

BANK OF GRANITE CORPORATION AND SUBSIDIARY

MANAGEMENT'S DISCUSSION AND ANALYSIS

CHANGES IN FINANCIAL CONDITION
MARCH 31, 1992 COMPARED WITH DECEMBER 31, 1991

Total assets increased $12,364,165 from December 31, 1991 to March 31, 1992. This 3.7% increase in assets is attributable primarily to an increase in cash and cash equivalents of $10,542,281 and an increase in gross loans of $1,873,973. Deposits increased by $5,286,142, or 1.8% primarily due to changes in the Corporation's overall deposit structure, specifically in the areas of demand, savings and money market deposits. Common Stock outstanding increased by 2,025 shares from the exercise of stock options. The company's liquidity remained acceptable on both dates. Loan-to-deposit ratios were 75.88% and 76.62% on March 31, 1992 and December 31, 1991 respectively.

RESULTS OF OPERATIONS FOR THE THREE MONTH PERIOD ENDED MARCH 31, 1992 COMPARED WITH THE SAME PERIOD IN 1991.

Decreases in interest income and expense are primarily attributable to declines in market rates during the period from March 31, 1991 to March 31, 1992.

The provision for loan losses charged to operations is an amount sufficient to bring the allowance for possible loan losses to an estimated balance considered to be adequate to absorb potential losses in the portfolio. Management's determination of the adequacy of the allowance is based on an evaluation of the portfolio, current economic conditions, historical loan loss experience and other risk factors. This evaluation is heavily dependent upon estimates and appraisals which are susceptible to rapid changes because of changing economic conditions and the economic prospects of borrowers. At March 31, 1992 the loan loss reserve was 1.47% of net loans outstanding.

Increases in non-interest expense reflect the Corporation's efforts to restructure its fee schedule to better cover the actual costs of providing the services. Increases in non-interest expense reflect the Corporation's increase cost of salaries, employee benefits, and Federal Deposit Insurance Corporation (FDIC) carried on customer's deposits.

PART II OTHER INFORMATION

ITEM 4 - OTHER INFORMATION

Bank of Granite Corporations's Annual Shareholder Meeting was held on March 23, 1992. Submission of matters to be voted upon resulted inthe following:

1. Member of the Corporation's Board of Directors were re-elected to serve until the next Annual Meeting. They are John A. Forlines, Jr., Charles M. Snipes, Robert E. Cline, Barbara F. Freiman, and Myron L. Moore, Jr. Two new directors, John M. Bray and William F. Howard, III, were elected to serve on the Corporation's Board of Directors until the next Annual Meeting.

2. Shareholders of the Corporation approved the proposal to amend Bank of Granite Corporation's Articles of Incorporation to reduce the Company's Common Stock par value from $5 per share to $1 per share.

3. Shareholders ratified the selection of Deloitte & Touche as the Corporation's independent auditors for the year ending December 31, 1992.

ITEM 6 - EXHIBITS AND REPORTS ON FORM 8-K

A) Exhibits
None required

B) Reports on Form 8-K
No reports on Form 8-K have been filed for the quarter ended March 31, 1992.

Items 1, 2, 3, 4 and 5 are inapplicable and are omitted.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto durly authorized.

BANK OF GRANITE CORPORATION
(Registrant)

Date: May 14, 1992

Joe A. Jones,
Vice President and Chief
Financial and Accounting
Officer